GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

School Education – Budget Estimates 2023-24 – Releasing an amount of Rs.20,14,43,551/-, towards clearing of outstanding to M/s Analogics Tech India Ltd., for supply and installation of 36,220 Nos.Samsung Iris Tablets for Bio-metric Attendance (Non contract IRIS based Project) - Recommendation of the Committee-Budget Release Order issued-Administrative Sanction – Accorded – Orders – Issued.

SCHOOL EDUCATION (PROG.I) DEPARTMENT

G.O.Rt.No. 297 Dated: 23/11/2023

Read the following:-

1. From the Managing Director, Analogics Tech India Ltd., Hyderabad,Ref.No.ATIL/LR-O/2022-23/120H, dated:08.07.2022.
2. From the Commissioner of School Education, AP, File No. ESE02-31021/22/2018-PMU-CSE (Computer No. 458362), along with letter Dt: 17.12.2012.
3. Representation of the Managing Director, Analogics Tech India Ltd., Hyderabad, Ref.ATIL/LR-O/2023-24/186-H, dated:04.10.2023, addressed to the Government.
4. Government Memo. No.1088824/Prog.I/2020, dated: 12.10.2023.
5. From the MD, A.P. Technology Services Ltd., Lr.No.APTS/ HWP1/8045/ITE&C/e-Devices/2016, dated: 31.10.2023.
6. G.O.Rt.No.3289, Finance (FMU-SE) Department, dt: 17.11.2023.

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ORDER:

The Managing Director, Analogics Tech India Ltd. vide his letter 1st read above, has stated that they have executed the Biometric Attendance (Non contract IRIS based Project) for Andhra Pradesh School Education Department, on BOOT basis. The project

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has successfully completed 4 years. 4 quarterly installment Payments are pending for more than 18 months, and the long overdue amount is Rs.20,14,43,637/-. Further, Govt., vide G.O.Rt.No.52, dtd:04.03.2021 have issued administrative sanction for an amount of Rs.47.12 crores for clearing of Biometric devices pending bills and finally the gross amount of Rs.19.20 crores has been approved by the Commissioner of School Education and the bills have been processed in CFMS vide Token No.2020-2690115 for net amount of Rs.18.44 crores for releasing their payment. However, the payment could not be released in the last financial year by 31.03.2021 due to funds problem and they have not received the payment till date. Therefore, he has requested to clearing the entire overdue payment.

2. The Commissioner of School Education, vide his letter 2nd read above, has stated that, vide proceedings, dated:01.08.2022, he has issued speaking orders to M/s. Analogics, to either upgrade the devices as per the mandate given by them or rectify the devices and make them functional as per the agreed terms and conditions with out making any further delay. While submitting detailed report, he has requested the Government to issue necessary orders in the matter.

3. The Managing Director, Analogics Tech India Ltd., vide his further representation 3rd read above, has submitted the following details and facts, requesting to release the payment on highest priority, as they are eligible for receiving their complete overdue payment having performed all the obligations as per the contract agreement:

- Since the supplied devices have worked successfully during 3 years project period / warranty and one more year beyond the warranty period, their last payment was duly processed by scrutinizing at various levels based on the satisfactory performance of the devices and the G.O.Rt.No. 52, dated: 04.03.2021 was issued by the

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Principal Secretary to Government for releasing the BRO and thereby the bills were processed in CFMS and Token No.2020 2690115 issued dated 11.03.2021 for net amount of Rs.18.44 Crores for releasing of their payment. However, the payment could not be released in the last financial year i.e., 31.03.2021 due to lack of funds with the Government.

- Their bills were processed and the token was granted much before the blocking of RD services.

- The issue regarding the renewal of RD services and various correspondences between UIDAI, Samsung and the School Education Department is not known to them till they received the speaking orders, vide letter dtd: 01.08.2022.

- Only due to sudden change of law/policy by the Government of India (UIDAI) to stop renewal of RD Services for lower than Android version 8.0, which was never anticipated by them nor the APTS even during the tender stage amounting to FORCE MAJEURE clause.

- Analogics being an MSME unit and having taken loan from the Bank and executed the project, is under huge financial stress due to non-receipt of huge payment for about 3 years.

4. Accordingly, Government, vide Memo 4th read above, have instructed the M.D, APTS, to convene meeting with the committee constituted by the CSE, with the members of MD APTS, Joint Director, O/o CSE, Prof. IIIT, Hyderabad, Tech Lead, NIC, etc., to examine the issue pertains to payment of balance amount to M/s Analogics Tech India Ltd., and submit the report to the Government.

5. The MD, APTS, in his letter 5th read above, has reported that the committee has convened two meetings on 20.10.2023 and 26.10.2023 and submitted its report and forwarded the minutes of

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the committee meeting. The operative portion of the minutes of the meeting are extracted below:

"The Committee, while mentioning the chronological details of the case, has given analysis and findings as detailed below:-

1. The agreement was entered by School Education department with M/s Analogics Tech India Ltd on 18.11.2016 for the period of 3 years from the date of installation. The date of installation and the warranty period is given in the table below.

Sl.No.	*Supplied & Installed in the month of*	*No of devices*	*Expiry date of Warranty*
1.	*Mar-17*	*2000*	*March 2020*
2.	*Mar-17*	*6859*	*March 2020*
3.	*Jul-17*	*11505*	*July 2020*
4.	*Aug-17*	*9636*	*Aug 2020*
5.	*Nov-17*	*6220*	*Nov 2020*
Total		*36,220*	

From above, it is seen that the equipment functioned successfully during the warranty period. No complaints are raised by the school education regarding functioning of the equipment during warranty period. The equipment ceased to function from 24.03.2021 which is beyond the warranty period. The vendor is responsible during the warranty period. The responsibility beyond warranty period is outside the scope of the agreement terms and conditions.

2. The devices supplied by the vendor (M/s Analogics Tech India Ltd., Hyderabad) "SAMSUNG Tablet SM-T116lr, an integrated Iris Device, working on Android OS 5.0, had validity of STQC device certificate till 1/9/2019.

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Even though the certificate was expired, in interest of public services, the validity of certificate was extended in phased manner till 23 Mar 2021. But, the equipment functioned successfully during the warranty period i.e March 2017 to November 2020.

In view of the above, the vendor cannot be made responsible on two (2) grounds.

- *It is the responsibility of OEM (SAMSUNG) to upgrade*
- *It is beyond the warranty period.*

3. Force Majeure: Para 17.2 of the agreement read as

"17.2 For purposes of this clause, - Force Majeure means an event beyond the control of the vendor and not involving the vendor's fault or negligence and not foreseeable. Such event may include, but are not restricted to, acts of the Purchaser in its sovereign capacity, wars or revolutions, fires, foods, epidemics, quarantine restrictions and freight embargoes."

4. The vendor supplied the goods from March 2017, Nov 2017 with a warranty period of 3 years. UIDAI introduced RD services 2.0 with effect from 01.09.2019 much beyond the date of supply of the goods ie., March-Nov 2017 since the condition to introduce RD 2.0 came much after supply of the goods. It is beyond the control of the vendor to anticipate such change. Hence force majeure clause 17.2 of agreement is applicable to the vendor. In addition the instruments functioned successfully till 23.02.2021."

6. In conclusion, the committee recommended that the vendor (M/s Analogics Tech India Ltd) is eligible for the balance payment as per the agreement.

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7. It is observed that, the devices are now own by the department, when compared with the Companies Act, 2013 with straight depreciation method nature of asset (Tablets) calculated for three depreciation method nature of the asset (Tablets) calculated for three years the values of these devices are absolute (zero). Further, as per Income Tax Act, 1961 Depreciation value was calculated using written down value for seven years i.e., 31.03.2024 will be Rs.1,70,09,659/-.

8. As per the above Acts, if the considered written down value as mentioned above, total cost of the devices will be 1,70,09,659 / 36,220=Rs.470/- per tab. The said tabs can be used as mobile phone as such it has sim slot in the devices and can be used for browsing any departmental reports related to the schools and other departmental activities etc. Further, these devices would be functional for the purpose of the personal mobile number to send the information through different mode (whats app, Google form, and attend the Webex conferences, etc.,).

9. Now at present, capturing of attendance is being done through facial recognition APP (which is much more advanced technology adopted) introduced in the year August, 2022 and been stabilized as on the day. As such, now the system cannot be reverted and to adopt AEBAS, these devices can be used as personal/official mobile phone for passing the information and browsing the activities given by the Department. As the devices made absolute (as per company Act or considered through Income Tax Act (Rs.470/- per tab), the same can be given to all the headmasters for using them as official/personal purpose as such these devices are bought for Aadhar Enabled Bio-metric Attendance System.

10. Accordingly, vide G.O 6th read above, Government have issued Budget Release Orders for an amount of Rs.2014.44 Lakhs, as additional funds in relaxation of treasury control and quarterly regulation orders pending provision of funds by way of obtaining

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Supplementary grants at an appropriate time during the C.F.Y 2023-24, towards clearing of outstanding for supply and installation of 36,220 Nos. Samsung Iris Tablets for Bio-metric Attendance (Non contract IRIS based Project).

11. Government, after careful consideration hereby accord administrative sanction for an amount of Rs.20,14,43,551/- (Rupees twenty crore fourteen lakh forty three thousand and five fifty one only) towards clearing of outstanding to M/s Analogics Tech India Ltd., for supply and installation of 36,220 Nos Samsung Iris Tablets for Bio-Metric Attendance (Non contract IRIS based Project).

12. The amount sanctioned in para (11) above shall be debited to the Head of Account mentioned in the BRO 6th read above.

13. The Commissioner of School Education, shall take further necessary action accordingly, in the matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

PRAVEEN PRAKASH
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Commissioner of School Education, A.P, Ibrahimpatnam, NTR District.
Copy to:
The Managing Director, Analogics Tech India Ltd., Road No.6, Nacharam Industrial Park,Hyderabad-76.
The MD, APTS, Vijayawada.
The Director of Treasuries and Accounts, A.P., Mangalagiri.
The Director of Works and Accounts, A.P., Mangalagiri.
The Pay & Accounts Officer, A.P, Mangalagiri.
The Accountant General, A.P, Vijayawada.
The CEO, APCFSS, Mangalagiri.
The Managing Director, Analogics Tech India Ltd., Road No.6, Nacharam Industrial Park,Hyderabad-76.
The Finance (FMU-SE) Department
Sf/Sc

//FORWARDED::BY ORDER//

J.Nagaratha
SECTION OFFICER